

Capital: Sarajevo
Size: 31,816 square miles, slightly smaller than West Virginia
Population: 3.9 million (2001)
Religion: Muslim, Orthodox, Roman Catholic, and others.
Language: Bosnian, Serbian and Croatian
Population Growth Rate: 0.76% (2001)
Life Expectancy: Females, 74.9 years, Males, 69.3 years
GDP: \$7 billion (2001)
GDP per capita: \$1,800 (2001)
GDP Growth Rate: 6% (2001)
Foreign Direct Investment: \$256 million
BiH Presidency, rotating among three: Borislav Paravac, Sulejman Tihic and Dragan Covic
BiH Ambassador to the U.S.: Igor Davidovic



National Interest: Bosnia and Herzegovina is key to stability in the Balkans. Since the 1995 Dayton Peace Accords, the USG has made an enormous investment in BiH, beginning with reconstruction to support refugee returns and business finance programs to support rapid economic recovery. The program now focuses on economic restructuring, democratic development, and sustainable refugee returns. Up to 2,500 U.S. troops continue to serve in the NATO SFOR—Stabilization Force. BiH is a nascent nation whose government continues to struggle with the ethnic divisions that led to the devastating war in the early 1990's. Its aspirations for membership in Euro-Atlantic structures – NATO and the EU – drive its reform efforts. Peace and stability in BiH and in the Balkans, the “underbelly” of Europe, is critical to U.S. foreign policy.

OVERVIEW OF USAID'S FOCUS IN BOSNIA AND HERZEGOVINA

FY03: Total AEEB \$50 million , USAID Total \$30.1 million

Economic Restructuring (FY 03 \$10.1 million, 34%): USAID's program to accelerate the development of the private sector includes: improved management of government expenditures through a transparent and efficient treasury function; a functioning competent commercial law regime that upholds the rule of law in business transactions and builds domestic and international investor confidence; an accountable and transparent modern tax administration that streamlines compliance and reduces tax evasion; improved financial intermediation to entrepreneurs by commercial banks through identification of potentially profitable lending gaps and design and implementation of new products; strengthening business advocacy groups' ability to improve the policy environment that will promote investment in BiH; and facilitate the increase in access to economic information affecting economic and business policy debates.

Multi-Ethnic Democratic Society (FY 03 \$11.6 million, 39%): USAID's assistance focuses on increasing citizen participation in political and social decision making; strengthening legal systems that expand transparent access to justice for all citizens; and facilitating an environment for the functioning of more responsive, transparent and accountable governance at the local, municipal and entity level.

Minority Returns (FY 03 \$8.4 million, 27%): USAID's program assists minority returnees and displaced persons return to their homes thus re-establishing a multi-ethnic society. The program focuses on access to basic utilities and services , improving economic self-sufficiency, and institutional strengthening of power and water sectors for the continued delivery of basic services. USAID also supports grants and income generating loans to individuals, businesses, community groups, and legal aid services.

USAID/Bosnia and Herzegovina: Howard Sumka, Mission Director
 (011-387 33 619 211; fax: 011-387-33-611-973)
 9 Hamdije Cemerlica Street, Sarajevo

USAID/Washington: Susan Fertig-Dykes (202 712 5913)

USAID/W BiH website: http://www.usaid.gov/locations/europe_eurasia/countries/ba/

Hot Issues:

- **Trafficking:** BiH remains a Tier 3 Country on the Department of State's Trafficking In Persons (TIP) yearly report. The Government of BiH's unwillingness or inability to make the necessary legal changes to provide legal protection for trafficked persons could put their USG assistance at risk.
- **Congressional Issue:** Under Section 576 of the FY 03 Foreign Appropriations Omnibus Bill, the Secretary of State found that the entity of the Republika Srpska was not in compliance with the amendment which called for officials to extradite both sealed and publicly indicted war criminals to the International Criminal Tribunal for Yugoslavia (ICTY). The Deputy Secretary of State is expected to sign a waiver allowing the assistance program to continue. However, the municipalities of Pale, Foca and Trebinje are exempt from the waiver and no assistance other than that for democracy building or humanitarian assistance may be provided; for any other assistance an additional waiver will be necessary.